

MEMORANDUM FOR:

DDCI
DDS&T
DDI
DDO
D/DCI/IC

IG
Gen Counsel
✓ Leg Counsel
Comptroller
D/OCI
Mr. Thuermer
Mr. Breckinridge

Herewith for your delectation a statement
in open session before Pike this morning.
Rectanus discussed this as his personal view,
but said it had been cleared within Defense.

RICHARD LEHMAN

Date 12 December 1975

FORM 101 USE PREVIOUS
5-75 EDITIONS

STATEMENT OF VICE ADMIRAL EARL F. RECTANUS, UNITED STATES NAVY,
DEPUTY ASSISTANT SECRETARY OF DEFENSE (RESOURCES AND MANAGE-
MENT), OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (INTELLI-
GENCE)

MR. CHAIRMAN,

IT IS A PLEASURE TO APPEAR AND PRESENT MY VIEWS ON LEGISLA-
TION OR ADMINISTRATIVE CHANGES NECESSARY FOR THE IMPROVEMENT
OF OUR INTELLIGENCE CAPABILITIES.

FIRST, I WOULD SAY THAT INTELLIGENCE, LIKE POLITICS AND
RELIGION, IS A SUBJECT ABOUT WHICH A GREAT MANY FEEL WELL
QUALIFIED TO SPEAK. HOWEVER, IN INTELLIGENCE WE LEARN AT A
VERY EARLY STAGE TO CLASSIFY OUR SOURCES BECAUSE IN MOST CASES
THE RELIABILITY OF THE SOURCE IS AS IMPORTANT AS THE INFORMA-
TION ITSELF.

THE SOURCE YOU ARE NOW LISTENING TO HAS BEEN IN THE NAVY
FOR ALMOST THIRTY-THREE YEARS AND HAS BEEN A NAVY SPECIAL DUTY
ONLY OFFICER IN INTELLIGENCE FOR THE PAST NINETEEN YEARS.

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BEFORE THAT TIME I WAS A SUBSPECIALIST OFFICER IN INTELLIGENCE.

IF THE PURPOSE OF AN INTELLIGENCE ORGANIZATION IS TO PRODUCE A QUALITY FOREIGN INTELLIGENCE PRODUCT, WE MUST FIRST ATTEMPT TO DEFINE WHAT WE MEAN BY QUALITY. UNLIKE A BATTLE TANK, AN F-15, OR A 963 DESTROYER, AN INTELLIGENCE PRODUCT WILL HAVE VARIOUS ATTRIBUTES OF QUALITY TO A WIDE VARIETY OF CONSUMERS OF THE PRODUCT. MOREOVER, THE REAL QUALITY IN MANY CASES HAS A DELAYED ACTION CHARACTERISTIC. THE QUALITY OF THE PRODUCT MAY ONLY BE RECOGNIZED AFTER A CERTAIN EVENT OCCURS. ON THE OTHER HAND, A QUALITY PRODUCT IS INEXTRICABLY BOUND WITH PRIOR POLICY AND OPERATIONAL ACTIONS TAKEN OUTSIDE THE INTELLIGENCE ORGANIZATION. AND, OF COURSE, THE INTELLIGENCE PRODUCT IS MOST ALWAYS THE RESULTANT OF VARYING VECTORS OF UNCERTAINTY.

WHAT THEN IS A QUALITY INTELLIGENCE PRODUCT? I SUGGEST THAT IT HAS THE FOLLOWING CHARACTERISTICS:

ONE, IT HAS A HIGH SENSITIVITY TO WHAT IS REALLY IMPORTANT.

UNDERPINNINGS, IT IS ESSENTIALLY A RESULT OF AN ART FORM AND SPECIFICALLY ADDRESSES THE INHERENT UNCERTAINTIES INVOLVED.

THREE, IT NOT SO MUCH "PREDICTS" AS IT REGISTERS CHANGE AND THE RATE OF CHANGE.

FOUR, IT IS CUSTOMER ORIENTED, AND

FIVE, THAT OVER TIME THE PRODUCT IS PROVEN ACCURATE AND, THEREBY, HAS BEEN USEFUL.

BECAUSE OF THE COMPLEX NATURE OF INTELLIGENCE, ONE CAN RATIONALIZE THE PRESENT STATE OF U.S. INTELLIGENCE INADEQUACIES. HOWEVER, THERE IS SUBSTANTIAL SUPPORT FOR THE THESIS THAT THE CURRENT INTELLIGENCE PRODUCT MEETS FEW OF THE FOREGOING CHARACTERISTICS IN AN ADEQUATE WAY. THERE ARE TOO MANY CRITICISMS FROM TOO MANY QUARTERS NOT TO RECOGNIZE THAT WE HAVE PROBLEMS IN REQUIREMENTS AND PRIORITIES, THAT WE DO NOT RECOGNIZE AND EMPHASIZE OUR UNCERTAINTIES, THAT WE HAVE NO REAL MECHANISM TO REGISTER CHANGE AND RATE OF CHANGE, THAT MANY CONSUMERS ARE DISSATISFIED, AND THAT OUR PRODUCTS ON IMPORTANT ISSUES HAVE

BEEN INACCURATE; THE OCTOBER WAR, CYPRUS AND SO IN VIETNAM TO NAME A FEW.

BUT SOME INTELLIGENCE CONSUMERS MUST SHARE RESPONSIBILITY FOR THESE SHORTCOMINGS AND FAILURES. AMONG THE POLICY AND DECISION MAKERS, THERE ARE THOSE WHO ARE INTERESTED ONLY IN CONSENSUS OR INTELLIGENCE PRODUCTS TAILORED TO PRECONCEIVED IDEAS, AND THOSE WHO DO NOT TAKE THE TIME TO ATTEMPT TO UNDERSTAND THE CAPABILITIES AND LIMITATIONS OF INTELLIGENCE. IT HAS BEEN SAID THAT THE LEADER IS NINETY PERCENT OF THE ORGANIZATION. IT HAS ALSO BEEN SAID THAT THE LEADER ONLY OBTAINS THAT WHICH HE DEMANDS. IF THERE BE VALIDITY HERE, WE MUST PERFORCE ASCRIBE THE PRESENT INADEQUACIES OF INTELLIGENCE AT LEAST PARTIALLY TO THE POLICY AND DECISION MAKERS.

ORGANIZATION IS A TOOL. IT HAS TWO FUNDAMENTAL ATTRIBUTES: IT PERMITS ORDERLY ADDRESSAL OF WORK TO BE PERFORMED (INCLUDING DECISION MAKING), AND IT ESTABLISHES THE FRAMEWORK BY WHICH

EVERY HUMAN BEING ASSOCIATED THEREWITH CAN PROVIDE MAXIMUM VALUE IN WORK PERFORMANCE.

DUE TO THE INADEQUATE STATE OF THE ART OF EVALUATING INTELLIGENCE PERFORMANCE, AND THE NATURE AND DIFFICULTY OF ATTEMPTING TO LEARN THAT WHICH IS PURPOSEFULLY DENIED, THE ORGANIZATION OF INTELLIGENCE AS CONTRASTED TO ITS PRODUCT HAS BEEN THE CENTER OF EMPHASIS OVER THE PAST FIFTEEN YEARS. THE WATCH WORDS OF THIS EMPHASIS HAVE BEEN "MANAGEMENT" AND "FISCAL EFFICIENCY." AS A RESULT, WHILE LIP SERVICE HAS BEEN PAID ON OCCASION TO PRODUCT, THERE HAS PROLIFERATED A SYSTEM OF COMMITTEES, BOARDS, COUNCILS AND LAYERS OF MANAGEMENT WHICH HAVE PRODUCED A COMPLEX BUREAUCRACY. THIS HAS RESULTED IN A SITUATION IN WHICH IT IS NOT ONLY DIFFICULT TO PERFORM THE PRODUCTION OF INTELLIGENCE IN AN ORDERLY MANNER BUT ALSO TO OBTAIN THE MAXIMUM VALUE FROM THE HUMAN IN THE SYSTEM. THEREFORE, IT IS SUGGESTED THAT THE EXISTING ORGANIZATION HAS, ALL TOO OFTEN, SERVED TO INHIBIT

ORGANIZATION IS NOT AN "END," IT IS A "MEANS." IN THE INTELLIGENCE BUSINESS, PROBABLY MORE THAN IN ANY OTHER GOVERNMENTAL ENDEAVOR, QUALITY PEOPLE ARE AN ABSOLUTE PREREQUISITE FOR PRODUCING A QUALITY PRODUCT. IT IS PATENTLY IMPOSSIBLE TO EXPECT TO ATTRACT AND RETAIN QUALITY PERSONNEL IN AN ORGANIZATIONAL ENVIRONMENT WHICH DIFFUSES PERSONAL RESPONSIBILITY AND ACCOUNTABILITY AND EXALTS MANAGEMENT RATHER THAN SUBSTANTIVE INTELLIGENCE ACHIEVEMENT.

WHO NEEDS WHAT KIND OF QUALITY PRODUCT? AT THE RISK OF OVERSIMPLIFICATION, ONE CAN SAY THAT THERE ARE TWO CLASSES OF RECIPIENTS, NOT MUTUALLY EXCLUSIVE, OF THE PRODUCT. THESE ARE THE DECISION MAKERS AND THE DECISION IMPLEMENTERS.

DECISION MAKERS. IN THIS GENERAL CATEGORY WE FIND THE CONGRESS, NATIONAL COMMAND AUTHORITIES, EXECUTIVE BRANCH, AGENCY AND DEPARTMENT HEADS, INCLUDING THE SECRETARY OF DEFENSE, THE SERVICE SECRETARIES AND SERVICE CHIEFS. TO A LESSER EXTENT, THIS CATEGORY WOULD INCLUDE THE UNIFIED COMMANDERS.

DECISION IMPLEMENTERS: THIS GROUP IS CHARACTERIZED BY U.S. EMBASSIES ABROAD, THE DEPLOYED MILITARY FORCES, THE MILITARY-INDUSTRIAL COMPLEX OF WEAPONS SYSTEMS DEVELOPERS, AND THE ARMED FORCES SUPPORT STRUCTURE.

WHILE IN NO WAY MINIMIZING THE IMPORTANCE OF DECISION IMPLEMENTERS, THE MAJOR PROBLEMS INVOLVE THE DECISION MAKERS. IF IT IS AGREED THAT A QUALITY PRODUCT IS OUR PRIMARY CONSIDERATION, WE SHOULD THEN BE WILLING TO ACCEPT, IF NEED BE, A CERTAIN DEROGATION IN FISCAL AND MANAGEMENT "EFFICIENCY." THEREFORE, LET US LOOK AT AN IDEALIZED PRODUCT-ORIENTED ORGANIZATION -- LEAVING ASIDE FOR THE MOMENT ANY CONSIDERATION OF MANAGEMENT OR FISCAL EFFICIENCY.

EACH DECISION MAKER IN THE NATIONAL SECURITY FIELD HAS A STATUTORY MISSION WHICH REQUIRES AN INDEPENDENT INTELLIGENCE ANALYTICAL SUPPORT. PROVIDING EACH HIS INDEPENDENT ANALYTICAL CAPABILITY WOULD TEND TO FACILITATE THE QUALITY OF THAT SUPPORT. THE DECISION MAKER COULD DEFINITIZE AND PRIORITIZE HIS

REQUIREMENTS AND PROVIDE THE PERSONAL DIRECTION. THE SUPPORT ORGANIZATION COULD TAILOR ITS PRODUCT TO THE DECISION MAKER'S NEEDS. WHILE THIS WOULD NOT IN ITSELF ENSURE A QUALITY PRODUCT, IT WOULD PLACE THE RESPONSIBILITY FOR SUCH A PRODUCT WHERE IT BELONGS -- ON THE ACCOUNTABLE DECISION MAKER.

PROVIDING EACH POLICY MAKER HIS OWN ANALYTICAL CAPABILITY WOULD REQUIRE A CENTRAL COORDINATING MECHANISM. THIS MECHANISM WOULD BE NEEDED NOT SO MUCH TO REDUCE "DUPLICATION" AND "COMPETITION" BUT, RATHER, TO SUPPORT THE PRESIDENT, REPORT TO CONGRESS, PROVIDE FOR NATIONAL SUBSTANTIVE ESTIMATES AND TO COORDINATE THE FINISHED INTELLIGENCE DATA BANKS UPON WHICH ALL ANALYTICAL ORGANS WOULD DRAW.

IT WOULD APPEAR EVIDENT THAT THE COORDINATION MECHANISM NEEDS STRENGTH AND INDEPENDENCE. IT MUST BE CREDIBLE WITH THE NATIONAL SECURITY DEPARTMENTAL HEADS, THE PRESIDENT AND THE CONGRESS. THIS WOULD ARGUE FOR A MAN OF STATURE WITH A SUFFICIENT STAFF TO COORDINATE THE SUBSTANTIVE ACTIVITIES OF

THE DECISION MAKER'S ANALYTICAL ORGANS AND TO PRODUCE NATIONAL ESTIMATES IN HIS OWN RIGHT. THIS INDIVIDUAL MIGHT BE TITLED THE DIRECTOR OF UNITED STATES INTELLIGENCE (DUSI). IN ORDER TO PROVIDE HIM THE AUTHORITY REQUIRED, HE WOULD HAVE TO BE MADE A DIRECT SUBORDINATE OF THE PRESIDENT.

THE PROVISION TO EACH DECISION MAKER OF HIS INDEPENDENT SUBSTANTIVE ANALYTICAL ELEMENT WOULD REQUIRE SOME RETHINKING OF OUR PRESENT COMMUNITY ORGANIZATION. AS WE ATTEMPT TO PROVIDE EACH OF OUR DECISION MAKERS WITH AN ANALYTICAL INTELLIGENCE ORGANIZATION, WE NOTE THAT THE SECRETARY OF STATE, THE SECRETARY OF DEFENSE, AND THE SERVICES ALL CURRENTLY HAVE ANALYSIS ORGANIZATIONS. IF WE CONSIDER DIA AS SECDEF'S SUPPORT, WE FIND JCS AND TREASURY WITHOUT ELEMENTS AND THE CIA WITHOUT AN AGENCY TO SUPPORT.

THERE IS A BODY OF OPINION WHICH BELIEVES THAT THE PRESENT REQUIREMENT FOR DIA TO SUPPORT BOTH THE JCS AND THE SECDEF IS DICHOTOMOUS AND THAT THE CHAIRMAN JCS SHOULD HAVE A DEDICATED

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J-2. FROM A STRICTLY QUALITY PRODUCT STANDPOINT THIS WOULD APPEAR TO HAVE GREAT MERIT. OTHER AGENCIES, SUCH AS TREASURY, COULD FORM THEIR OWN DEDICATED UNIT. IN ACTUAL FACT, THE PRESENT LINE BETWEEN TREASURY DEPARTMENT "ANALYSTS" AND THE INTELLIGENCE FUNCTION APPEARS GRAY.

BUT WHAT TO DO WITH CIA? FOR POLITICAL AS WELL AS PRACTICAL PRODUCT REASONS, THERE IS A NEED FOR AN INTELLIGENCE ANALYTICAL ORGANIZATION WHICH CROSSES DEPARTMENTAL LINES. SINCE WE HAVE GIVEN THE DUSI THE RESPONSIBILITY FOR NATIONAL SUBSTANTIVE INTELLIGENCE, HE MUST HAVE A STRONG ANALYTICAL STAFF. THEREFORE, WE WOULD ASSIGN TO HIM PART OF THE ANALYTICAL -- BUT ONLY THE ANALYTICAL -- ELEMENTS OF CIA AND SUCH PARTS OF THE PRESENT INTELLIGENCE COMMUNITY STAFF AND THE NATIONAL INTELLIGENCE OFFICERS AS NECESSARY.

TO THIS POINT WE HAVE DEVELOPED AN ORGANIZATION FOR THE INTELLIGENCE COMMUNITY BASED WHOLLY ON THE THEORY THAT EACH DECISION MAKER HAS AN ANALYTICAL ORGANIZATION AND THAT SUCH

ORGANIZATIONS ARE DEDICATED SOLELY TO THE PRODUCTION OF QUALITY PRODUCTS. BUT WHAT HAPPENS TO ALL MANAGEMENT, COLLECTION, AND FISCAL MATTERS?

THE CASE HERETOFORE RESTS UPON THE PREMISE THAT THE ANALYTICAL ORGANS EACH SERVE A DECISION MAKER WITH A PRODUCT TAILORED TO HIS NEEDS. BUT, ISN'T THIS INEFFICIENT?

IF WE CONSIDER THAT ANALYSIS IS BUT A SMALL FRACTION OF THE TOTAL INTELLIGENCE BUDGET, ONE COULD SAY THAT SUCH INEFFICIENCY IS IRRELEVANT. ONE COULD ALSO SAY THAT IT IS A SMALL PRICE TO PAY TO OBTAIN DIVERGENT VIEWS AND ALTERNATIVE RECOMMENDATIONS. AND, OF COURSE, THERE IS NOTHING WE HAVE SAID THUS FAR WHICH INHIBITS FISCAL CONTROL AUTHORITIES FROM ADDRESSING THIS PROBLEM IN A BUDGETARY WAY.

THERE ARE TWO MAIN AREAS WHICH NEED CONSIDERATION IN TESTING OUR STRAWMAN THUS FAR: THE ROLE OF COMMON SERVICE PRODUCT -- OR "PRODUCTION MANAGEMENT," AND THE EFFECT ON THE PRODUCTION AGENCIES PRODUCT OF HAVING NON-PRODUCTION MANAGEMENT RESPONSIBILI

THERE ARE FEW EXISTING INTELLIGENCE AGENCIES WHICH DO NOT AS A MATTER OF REAL WORLD FACT MAKE ANALYSIS OF SUBJECTS WHICH APPEAR TO BE ONLY PERIPHERAL TO THEIR MISSION. BOTH STATE AND CIA WORK IN THE MILITARY INTELLIGENCE FIELD. DIA AND THE SERVICES WORK IN THE POLITICAL AND TO A LESSER EXTENT IN THE ECONOMIC AREA. WHEN ONE LOOKS AT THIS PROBLEM CAREFULLY, IT SOON BECOMES APPARENT THAT KEY DECISION MAKERS MUST CROSS BOUNDARIES IN ORDER TO CARRY OUT THEIR MISSIONS.

IT IS SUGGESTED THAT THE DECENTRALIZATION OF PRODUCTION HAS ALREADY BEEN ENDORSED BY THE DIRECTOR, DIA AS POLICY IN SOME LIMITED FIELDS AND WORK IS PROCEEDING ALONG THOSE LINES. THE ENDORSEMENT OF THE ORGANIZATION SET FORTH THUS FAR WOULD SERVE TO PROMOTE THIS CONCEPT. WHILE COMMON SERVICE PRODUCTION COULD BE IMPLEMENTED TO A GREATER OR LESSER EXTENT, SUCH IMPLEMENTATION WOULD BE BASED ON QUALITY PRODUCT RATHER THAN COST EFFICIENCY.

A THESIS OF THIS PRESENTATION IS THAT THE ANALYTICAL

ORGANIZATIONS SHOULD BE AS FREE AS POSSIBLE FROM NON-PRODUCTION RESPONSIBILITIES.

• NON-PRODUCTION MANAGEMENT RESPONSIBILITIES ARE PRIMARILY IN THE FIELD OF COLLECTION AND PROCESSING. OUR PRESENT SYSTEM IS HYBRID. NSA IS THE SIGINT COLLECTION MANAGER, BUT WE HAVE NO SIMILAR ORGANIZATION FOR OTHER COLLECTION CAPABILITIES. IN LINE WITH OUR OBJECTIVE OF ELIMINATING NON-PRODUCTION RESPONSIBILITIES, LET US LOOK FIRST AT PHOTOGRAPHIC RECONNAISSANCE AND THEN HUMINT.

MANY AGENCIES ARE INVOLVED IN PHOTOGRAPHIC RECONNAISSANCE COLLECTION BUT THERE IS NO MANAGER TO PROVIDE THE CENTRALIZED COORDINATION AND PROVISION OF PROCESSED DATA. IT WOULD SEEM PRUDENT TO CONSTITUTE AN AGENCY IN A MANNER FUNCTIONALLY SIMILAR TO NSA. THE BROAD PARAMETERS OF THIS WOULD BE:

-- JOIN THE CURRENT DEVELOPMENT AND MANAGEMENT ORGANIZATION WITH THE CURRENT PROCESSING OFFICE IN A SO-CALLED "NATIONAL

-- TRANSFER ALL PHOTOGRAPHIC COLLECTION MANAGEMENT FROM DIA, CIA AND OTHERS TO THE NPA.

-- SUBORDINATE THE NPA DIRECTLY TO THE SECDEF AS IS THE CASE WITH NSA.

-- NPA ACT AS AN AGENCY OF COMMON CONCERN SUPPORTING ALL ANALYTICAL ORGANS WITH PROCESSED PHOTINT.

-- PLACE ALL COLLECTION DEVELOPMENT IN THE NPA -- OR TRANSFER IT TO THE AIR FORCE.

THE PHILOSOPHY EXPRESSED ABOVE APPLIES ALSO TO HUMINT. ONE OF THE MAJOR PROBLEMS TO BE ADDRESSED IS THE PLACEMENT OF COVERT ACTION AND THE CLOSE RELATIONSHIP OF HUMINT WITH COVERT ACTION. SINCE THE ASSISTANT FOR NATIONAL SECURITY AFFAIRS IS THE KEY PLAYER IN COVERT ACTION, IT WOULD SEEM DESIRABLE TO BRING HIM INTO AN APPROPRIATE ASSOCIATION. THE AMALGAMATION OF CLANDESTINE TRAINING UNDER CIA IS ALREADY A FACT. THE BROAD OUTLINES OF A CENTRALIZED HUMINT AGENCY WOULD BE AS FOLLOWS:

-- ESTABLISH A HUMAN RESOURCES AGENCY (HRA) REPORTING TO THE ASSISTANT FOR NATIONAL SECURITY AFFAIRS.

-- ASSIGN TO THIS AGENCY THE TOTAL RESPONSIBILITY AS HUMINT COLLECTION MANAGER.

-- TRANSFER PRESENT SERVICE CLANDESTINE HUMAN ASSETS TO THE HRA, INSURING THAT WARTIME CAPABILITIES ARE MAINTAINED. ASSIGN ALL CIA HUMINT ASSETS TO HRA.

-- RETURN SERVICE ATTACHES TO THE SERVICES WITH POLICY FORMULATION AND COORDINATION ASSIGNED TO HRA.

-- ASSIGN FBIS TO HRA.

-- ASSIGN COVERT ACTION TO HRA.

THE CENTRALIZATION OF THE RELATED COLLECTION AND PROCESSING EFFORTS INTO SINGLE ORGANIZATIONS IS DESIGNED TO PROVIDE FOR IMPROVED INTELLIGENCE SUPPORT THROUGH IMPROVED MANAGEMENT OF REQUIREMENTS, TASKING AND RESPONSE. IT CAN ALSO PROVIDE THE MEANS BY WHICH IMPROVED FISCAL AND BUDGET MANAGEMENT CAN BE BROUGHT TO THESE SAME FUNCTIONS.

THUS FAR WE HAVE OPTIMIZED THE INTELLIGENCE COMMUNITY FOR THE DELIVERY OF A QUALITY PRODUCT, PROVIDED FOR ITS NATIONAL SUBSTANTIVE COORDINATION IN THE DUSI, STRIPPED AWAY MANAGEMENT FUNCTIONS AND COVERT ACTION, AND PROVIDED CENTRALIZED MANAGERS OF SIGINT, PHOTINT, AND HUMINT.

IT REMAINS FOR US TO TEST THE CONCEPT IN THE FISCAL AND BUDGET ARENA.

TAKING INTO ACCOUNT THE SIGNIFICANTLY INCREASED ROLE BEING PLAYED IN INTELLIGENCE BY THE CONGRESS, THE COMMUNITY IS FACED WITH A MULTITUDE OF FISCAL MANAGEMENT MECHANISMS.

THE OBJECTIVE OF FISCAL MANAGEMENT MUST BE TO FACILITATE THE DELIVERY OF A QUALITY INTELLIGENCE PRODUCT. WE HAVE PREVIOUSLY NOTED THAT THE ANALYTICAL EFFORT IS BUT A SMALL FRACTION OF THE TOTAL INTELLIGENCE BUDGET. FOR THIS REASON, IT WOULD APPEAR PRUDENT TO CONCENTRATE OUR FISCAL AND BUDGET EMPHASIS ON THE SIGINT, PHOTINT AND HUMINT PROGRAMS WHILE NOT, OF COURSE, OMITTING OTHER INTELLIGENCE AND INTELLIGENCE-RELATED RESOURCES.

AT PRESENT THE COMPLEX PROGRAM AND BUDGET CYC E INVOLVES COUNTLESS STUDIES, HEARINGS AND BRIEFINGS WITHIN EACH SERVICE AND AGENCY, THE OASD(1), THE IC STAFF, THE COMPTROLLER ORGANIZATIONS, THE IRAC, THE EXCOM AND THE OMB, IN ADDITION TO THE CONGRESS.

THE KEY QUESTIONS RELATE TO THE ROLE OF THE DUSI, THE EXCOM MECHANISMS, CONGRESSIONAL RELATIONS AND THE ROLE OF OMB AND THE SECRETARY OF DEFENSE. SINCE WE HAVE GIVEN THE DUSI THE PRIMARY CONGRESSIONAL INTERFACE ROLE WE ARE FORCED TO COMPROMISE SOMEWHAT OUR CONCEPT OF SUBSTANTIVE PURITY IN THE FIELD OF FISCAL MANAGEMENT. ALTHOUGH HE HAS GREAT SUBSTANTIVE RESPONSIBILITIES, IT IS DIFFICULT TO ENVISION HIS CARRYING OUT THE CONGRESSIONAL INTERFACE ROLE WITHOUT SOME FISCAL OVERVIEW OF THE COMMUNITY. A KEY PREMISE IS THAT TINKERING WITH THE ANALYTICAL ORGANS BY NON-CORRESPONDING DECISION MAKERS SHOULD BE AVOIDED AT ALL COST. THIS MEANS THAT THE DUSI SHOULD HAVE

LITTLE COMMENT TO MAKE ON INR, DIA AND LIKE ORGANS

ON THE OTHER HAND, TO REPRESENT THE EXECUTIVE BRANCH HE MUST BE AWARE OF THE SCOPE AND COSTS ASSOCIATED WITH THE VARIOUS ORGANIZATIONS AND PROGRAMS. HE SHOULD NOT BE PLACED IN A POSITION OF DETAILED JUSTIFICATION FOR THESE CAPABILITIES.

AS FAR AS THE COLLECTION ORGANIZATIONS ARE CONCERNED, HIS VOICE WOULD HAVE TO BE HEARD. THE DUSI HAS COGNIZANCE FOR THE OVERALL COMMUNITY BUDGET AND IT IS THESE ORGANIZATIONS WHICH COMPRISE THE BULK OF THE RESOURCES IN THAT BUDGET. THEY ARE ALSO SERVICES OF COMMON CONCERN SUPPORTING THE ENTIRE COMMUNITY AND, THEREFORE, NEED COMMUNITY GUIDANCE AND CONTROL.

THE SECDEF SHOULD RETAIN CONTROL OVER THE DEFENSE BUDGET AND RESPONSIBILITY FOR THE COLLECTION ORGANIZATIONS IN DEFENSE.

IN THIS REGARD, AN EXCOM MECHANISM FOR THE COLLECTION ORGANIZATION COMPOSED OF THE DUSI AND THE ASD(I) WOULD APPEAR APPROPRIATE.

THE OMB SHOULD MINIMIZE INVOLVEMENT IN INTELLIGENCE ISSUES AND CONFINE ITSELF TO SETTING TARGETS AND COORDINATE AND

ADJUDICATE BETWEEN GOVERNMENT AGENCIES.

IN CONCLUSION, GIVEN THE PREMISE THAT THE INTELLIGENCE COMMUNITY EXISTS TO CREATE A QUALITY FOREIGN INTELLIGENCE PRODUCT, THE ORGANIZATION OF THE COMMUNITY SHOULD BE STRUCTURED TO MAXIMIZE THE ABILITY TO CREATE THE PRODUCT.

THE DEVELOPMENT OF AN ORGANIZATIONAL STRUCTURE FOR THE COMMUNITY SHOULD TAKE INTO ACCOUNT THE FUNDAMENTAL DIFFERENCE BETWEEN THE FEW RESOURCES DEVOTED TO ANALYSIS AND THE MANY RESOURCES DEVOTED TO COLLECTION, THEREBY PERMITTING PARALLELISM IN THE ANALYSIS FUNCTION BUT CENTRALIZING THE COLLECTION AND PROCESSING FUNCTION.

PROVIDING EACH DECISION MAKER WITH HIS OWN ANALYTICAL ORGANIZATION SHOULD ENSURE THE AVAILABILITY OF WHAT HE CONSIDERS A QUALITY INTELLIGENCE PRODUCT.

SINCE THE DUSI AND SECDEF EACH HAVE SIGNIFICANT RESPONSIBILITIES WITH RESPECT TO THE NATIONAL RESOURCE COLLECTION AND PROCESSING ORGANIZATIONS, THEY SHOULD SHARE IN THE CENTRALIZED

MANAGEMENT AND FISCAL DIRECTION OF THESE ORGANIZATIONS.

THE ORGANIZATIONAL STRUCTURE OF THE COMMUNITY SET FORTH ABOVE MAXIMIZES THOSE FEATURES CONTRIBUTING TO THE CREATION OF A QUALITY FOREIGN INTELLIGENCE PRODUCT AND, YET, ASSURES ADEQUATE MANAGEMENT AND FISCAL EFFICIENCY.